

reserve fund, less the initial amount paid in, reached 6 percent of the withdrawal value of the association's savings liability, whichever first occurred. By implication, when the function of the initial amount terminated, it would be returned to the incorporators.

As to the maintenance of the General Reserve Fund, see § 9-318 of this title.

"Savings and loan association" is defined in § 9-101 of this title.

9-219. EXPENSE FUND.

(A) ACCOUNT ESTABLISHED.

THE INCORPORATORS OF A SAVINGS AND LOAN ASSOCIATION SHALL DEPOSIT TO THE CREDIT OF THE CHAIRMAN OF THE INCORPORATORS CASH IN AN EXPENSE FUND IN AN AMOUNT EQUAL TO AT LEAST 25 PERCENT OF THE MINIMUM INITIAL SUBSCRIPTION FOR FREE SHARE ACCOUNTS.

(B) USES.

THE EXPENSE FUND SHALL BE USED TO PAY:

(1) ORGANIZATIONAL EXPENSES; AND

(2) OPERATING EXPENSES UNTIL EARNINGS ARE SUFFICIENT TO PAY THE OPERATING EXPENSES AND ANY DIVIDENDS DECLARED ON SHARE ACCOUNTS.

(C) DIVIDENDS; OWNERSHIP.

FOR THE PURPOSE OF PAYMENT OF DIVIDENDS, AN INCORPORATOR'S CONTRIBUTION TO THE EXPENSE FUND IS IN EVERY RESPECT A FREE SHARE ACCOUNT IN THE SAVINGS AND LOAN ASSOCIATION.

(D) ACCOUNT CLASSIFICATION.

(1) THE RECORDS OF A SAVINGS AND LOAN ASSOCIATION SHALL REFLECT ITS EXPENSE FUND.

(2) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A CONTRIBUTION TO THE EXPENSE FUND IS NOT A LIABILITY OF AN ASSOCIATION.

(E) REPAYMENT AFTER INCORPORATION.

CONTRIBUTIONS OF THE INCORPORATORS TO THE EXPENSE FUND MAY BE REPAYED PRO RATA TO THEM FROM THE NET EARNINGS OF THE SAVINGS AND LOAN ASSOCIATION AFTER PROVIDING FOR:

(1) ANY REQUIRED ALLOCATION TO THE GENERAL RESERVE FUND; AND